GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1345
ANSWERED ON:26.02.2003
DISINVESTMENT OF HOCL
RAGHUVANSH PRASAD SINGH;RAM PRASAD SINGH

Will the Minister of DISINVESTMENT be pleased to state:

(a} whether Rs. 4.5 crore of DTC Employees Provident Fund is blocked in the Hindustan Organic Chemicals Limited, a Public sector undertaking;

(b)if so, the action taken/proposed to be taken to refund the DTC Employees Provident Fund alongwith the interest before proposed disinvestment of HOCL: and

(c) if not, the manner in which the Government propose to compensate the DTC employees?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE):

(a) Yes, Sir. The details of DTC Employees Provident Fund Trust investment in HOCL are as follows:

SI. No.	Amount invested	Due date for rspayment of maturity amount
1.	Rs. 1.00,00,000/-	14.12.2002
2.	Rs. 2,00,00,000/-	29.06.2002
3.	Rs. 1,50,00,000/-	31.07.2004

(b) and (c) HOCL has not been generating any cash surplus during the last three financialyears ending March. 2002. Because of this, long term interest could not be serviced fully. Government has decided to disinvest 32.61 % equity in Hindustan Organic Chemicals Ltd. (HOCL) through strategic sale. Government has also approved a financial restructuringpackage for HOCL. The restructuring proposal would be effective only in case HOCL getsdisinvested with consequent transfer of management control to the Strategic Partner. The disinvestment and the financial structuring are expected to improve the financial position and the cash flows of the company.